

104TH CONGRESS
1ST SESSION

S. 1000

To amend the Internal Revenue Code of 1986 to provide that the depreciation rules which apply for regular tax purposes shall also apply for alternative minimum tax purposes, to allow a portion of the tentative minimum tax to be offset by the minimum tax credit, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 29 (legislative day, JUNE 19), 1995

Mr. BURNS (for himself, Mr. NICKLES, Mr. HATCH, Mr. MURKOWSKI, Mr. BREAUX, Mr. D'AMATO, Mr. MACK, Mr. GRAMS, and Mr. INHOFE) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide that the depreciation rules which apply for regular tax purposes shall also apply for alternative minimum tax purposes, to allow a portion of the tentative minimum tax to be offset by the minimum tax credit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. ALTERNATIVE MINIMUM TAX DEPRECIATION**
 2 **DETERMINED UNDER REGULAR TAX RULES.**

3 (a) IN GENERAL.—Clause (i) of section 56(a)(1)(A)
 4 of the Internal Revenue Code of 1986 (relating to depre-
 5 ciation) is amended by inserting “and before January 1,
 6 1995” after “December 31, 1986”.

7 (b) ACE PREFERENCE.—

8 (1) IN GENERAL.—Subparagraph (A) of section
 9 56(g)(4) of such Code is amended by striking clause
 10 (iv), by redesignating clauses (i), (ii), and (iii) as
 11 clauses (ii), (iii), and (iv), respectively, and by in-
 12 serting before clause (ii) the following new clause:

13 “(i) PROPERTY PLACED IN SERVICE
 14 BEFORE 1981 AND AFTER 1994.—In the
 15 case of property not described in clause
 16 (ii), (iii), or (iv), the amount allowable as
 17 depreciation or amortization with respect
 18 to such property shall be determined in the
 19 same manner as for purposes of computing
 20 taxable income.”

21 (2) CONFORMING AMENDMENT.—Clause (ii) of
 22 section 56(g)(4)(A) of such Code, as redesignated by
 23 paragraph (1), is amended—

24 (A) by inserting “and before 1995” after
 25 “after 1989” in the heading and the text, and

1 (B) by striking “after December 31, 1993”
 2 and inserting “during 1994”.

3 (c) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to property placed in service after
 5 December 31, 1994.

6 **SEC. 2. CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY**
 7 **ALLOWED AGAINST MINIMUM TAX.**

8 (a) IN GENERAL.—Section 53(c) of the Internal Rev-
 9 enue Code of 1986 (relating to limitation) is amended by
 10 adding at the end the following new paragraph:

11 “(2) SPECIAL RULE FOR TAXPAYERS WITH
 12 LONG-TERM UNUSED CREDITS.—

13 “(A) IN GENERAL.—If this paragraph ap-
 14 plies to a taxpayer for any taxable year, para-
 15 graph (1) shall not apply and the credit allow-
 16 able under subsection (a) for such taxable year
 17 shall not exceed the excess (if any) of—

18 “(i) the regular tax liability of the
 19 taxpayer for the taxable year (or, if great-
 20 er, the taxpayer’s tentative minimum tax
 21 for the taxable year), reduced by the sum
 22 of the credits allowable under subparts A,
 23 B, D, E, and F of this part, over

24 “(ii) 50 percent of the tentative mini-
 25 mum tax for the taxable year.

1 “(B) TAXPAYERS TO WHICH PARAGRAPH
2 APPLIES.—This paragraph shall apply to a tax-
3 payer for a taxable year if, during at least 3 of
4 the 5 immediately preceding taxable years, the
5 taxpayer had an unused minimum tax credit.”

6 (b) CONFORMING AMENDMENTS.—Section 53(c) of
7 such Code (as in effect before the amendment made by
8 subsection (a)) is amended—

9 (1) by striking “The” and inserting:

10 “(1) IN GENERAL.—The”, and

11 (2) by redesignating paragraphs (1) and (2) as
12 subparagraphs (A) and (B).

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 December 31, 1994.

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